

— MBT TIPS —

Your Tax Liability may be **LESS** than you think

USE THIS QUICK RESOURCE TO ENSURE YOU
DON'T PAY MORE THAN NECESSARY.

Small Business Credit

Businesses that meet the following criteria most likely qualify for the small business credit. All criteria must be met to receive this credit.

1. Gross receipts, usually total sales, must be less than \$20 million annually, and
2. Officer(s) or owner(s) compensation and director(s) fees **must be under \$180,000** (including partners in a partnership and members of an LLC), and
3. Adjusted business income must be less than \$1.3 million.

Property Tax Relief

The new MBT provides serious relief for Michigan businesses in the area of personal property tax.

Personal property tax relief is an integral part of the MBT. If you have “eligible personal property” you qualify for a 35% credit against your MBT liability.

For industrial personal property or commercial personal property there is a 24-mill exemption on industrial property and a 12-mill exemption on commercial personal property. These exemptions could result in additional savings on your upcoming property tax bill.



— MBT REFORM —

Michigan businesses are the backbone of our state's economy.

Members of the Senate MBT Impact Assessment Subcommittee recently traveled the state to hear from Michigan job providers about the effect of the state's new Michigan Business Tax, including a hearing in Saginaw.

The committee heard from business owners of small firms to representatives of large corporations to learn first-hand of the MBT's unintended consequences and discuss ways to improve the MBT and provide Michigan businesses with additional relief.

Senate action to fix the MBT:

- **Senate Bill 1038** removes taxes, including sales taxes, from the MBT base and ensures that casual transactions are not subject to the MBT.
- **Senate Bill 1198** allows thousands more Michigan businesses to qualify for the small business credit by increasing the amount of executive compensation to \$250,000.
- **Senate Bill 1217** exempts materials, supplies and payments to subcontractors from the tax (for builders and contractors).

The bills passed the Senate and await action in the House.

Visit the Michigan Department of Treasury website at <http://www.michigan.gov/mbt> for MBT information, or call 517-636-4657.

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